

and there are some very significant tax credits in this bill, and I think it will be even more significant when the managers' amendment is out—CBO says, even with modest tax credits, those premiums will go down 8 to 11 percent.

That is, for 13 percent of Americans who have insurance, their premiums will go down 8 to 11 percent, among those who have credits.

Let's look at what is called the nongroup market, the individual market. That is 17 percent of Americans. For those folks, if you compare their current insurance with what they will have in the future, those premiums will go down 14 to 20 percent—down 14 to 20 percent—according to CBO.

In addition, though, CBO says that persons who have tax credits—we are talking now about the individual market—those people will find, on average, their premiums will go down 56 to 59 percent. Remember, 17 percent of Americans buy insurance individually. Of that 17 percent, 10 percent, because of tax credits in this bill, will find their premiums go down 56 to 59 percent.

The 7 percent that are remaining—remember I started off by saying for 93 percent, there will be a reduction. The 7 percent remaining will find that because of better benefits, their premiums will go up 10 to 13 percent, but they will have a lot better benefits. They will have a lot higher quality insurance than they have today. Frankly, my judgment is, the higher quality insurance they have, because of this legislation, will outweigh the increase in the premiums.

But anyway, for 93 percent, premiums will go down.

AMENDMENT NO. 3183

Mr. President, let me speak a little bit on my amendment which, as I understand it, is going to be the first amendment voted on.

I remind my colleagues that the underlying legislation is a tax cut bill. It cuts taxes. It cuts taxes very significantly. Over the next 10 years, for example, this bill will provide Americans with a \$441 billion tax cut to buy health insurance—\$441 billion in tax credits to buy health insurance. Credits are tax reductions.

In the year 2017, taxpayers who earn between \$20,000 and \$30,000 a year will see an average tax cut of nearly 37 percent. These are people who have a hard time making ends meet. People who earn between \$20,000 and \$30,000 will see an average tax cut of 37 percent. That is according to the Joint Committee on Taxation.

In addition, 2 years later, the average taxpayer making less than \$75,000 a year will receive a tax credit of \$1,500. Just to repeat, the average taxpayer making less than \$75,000 a year will receive a tax reduction—a tax credit—of more than \$1,500.

The Crapo motion to commit is really an attempt to kill health care reform. It is, thus, a plan to keep Americans from getting these tax cuts. I

think we want Americans to get these tax cuts. If the Crapo motion is successful, Americans will not get any of these tax cuts. We want them to. The underlying bill gives Americans these tax cuts. Therefore, I think we should reject this procedural maneuver designed to kill the tax cuts in this health care bill.

That is what my side-by-side amendment says—that is going to be the first amendment voted on—and that is, let's vote to keep our current tax cuts. I urge a positive vote on my amendment and a "no" vote on the Crapo motion, which eliminates the tax cuts, which is not what I think most Americans want. So I urge my colleagues to vote for the side-by-side amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, there will be 2 minutes of debate equally divided prior to a vote on the Baucus amendment.

Who yields time?

The Senator from Mississippi.

Mr. COCHRAN. Mr. President, the legislation that we are discussing today, the Patient Protection and Affordable Care Act, could have a profound impact on the United States for decades to come. I am especially concerned about the tax implications of the legislation. We need to take a thorough look at these tax provisions before approving this legislation.

It is plain to see that if you have insurance, you get taxed; if you don't have insurance, you get taxed; if you need prescription drugs, you get taxed; if you need a medical device, you get taxed; if you have high out-of-pocket health expenses, you get taxed. Everyone gets taxed under this proposal.

This legislation also changes the core principle of Social Security and Medicare financing, a model called "social insurance." Since Social Security was created in the 1930s and the Medicare Program in 1965, payroll tax revenues have been dedicated to financing these programs. In current tax law, all funding from the Medicare payroll tax finances the Medicare Program. This legislation proposes to increase the hospital insurance portion of the payroll tax on wages from 1.45 percent to 1.95 percent and uses the revenues to fund programs outside of Medicare. If this proposal becomes law, future Congresses will have the ability to take payroll tax revenues and use them for highways or defense or other nonsocial insurance spending. This will be a serious precedent, a long-term game-changer in how we finance our government, and I do not think it is wise to do this today.

Additionally, individuals who fail to maintain government-approved health insurance coverage would be subject to a penalty of up to \$2,250 in 2016. This individual mandate tax is regressive and will largely be strapped on the backs of those who can least afford such a penalty.

Analysis by the Joint Committee on Taxation reveals that while a rel-

atively small group of middle-class individuals, families, and single parents may benefit under this bill, a much larger group of middle-class individuals, families and single parents will be disadvantaged. According to the analysis by the Joint Committee on Tax, this legislation increases taxes by a 3 to 1 ratio on people making less than \$200,000 a year, in other words for every one individual or family that gets the tax credit, three middle-income individuals and families are taxed. Roughly 42 million individuals and families, or 25 percent of all tax returns under \$200,000 will, on average, pay higher taxes under this bill, even with the tax credits factored in.

There are only about 17,000 Mississippi tax filers who earn more than \$200,000, so we are looking at over 2.5 million people who earn less than \$200,000 and could easily be forced to pay higher taxes. This legislation will affect a large majority of our tax base.

Tax spending as proposed in the legislation before us provides credits for health insurance to individuals and families between 100 percent and 400 percent of the Federal poverty level, FPL. For example, a family at 100 percent of the Federal poverty level can pay no more than 2 percent of their income on premiums, and the government would pick up the rest of the cost. Although this furthers the goal of trying to get everyone insured, only 7 percent of Americans will be eligible for a tax credit and 91 percent of Americans will experience an increase in taxes. This hardly seems like a solution.

The health care industry, including many small businesses in my state, would be subject to fees imposed by this legislation. Health insurance companies that administer a self-insured policy on behalf of employers would be subject to fees imposed on the industry. This \$6.7 billion annual fee will undoubtedly be passed on to consumers.

This legislation imposes a nondeductible \$2.3 billion fee on manufacturers of prescription drugs, which is an example of yet another fee that will be passed on to consumers.

Medical device manufacturers will be on the hook for \$2 billion in annual fees. Again, this will be passed on to consumers.

Of additional concern is the "free-rider" penalty for employers with more than 50 employees that do not offer health insurance coverage. These employers would be required to pay a fee for each employee. Businesses that pay any amount greater than \$600 to corporate providers of services would have to file an information report with the IRS, adding further regulatory burdens on business and on an agency that does not traditionally deal in health care.

According to a recent study, taxes in this proposal will place approximately 5.2 million low-income workers at risk of losing their jobs or having their hours reduced. An additional 10.2 million workers could see lower wages and